



# ***Segmenting the Market for Residential Renewable Power***

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**Presented by:**  
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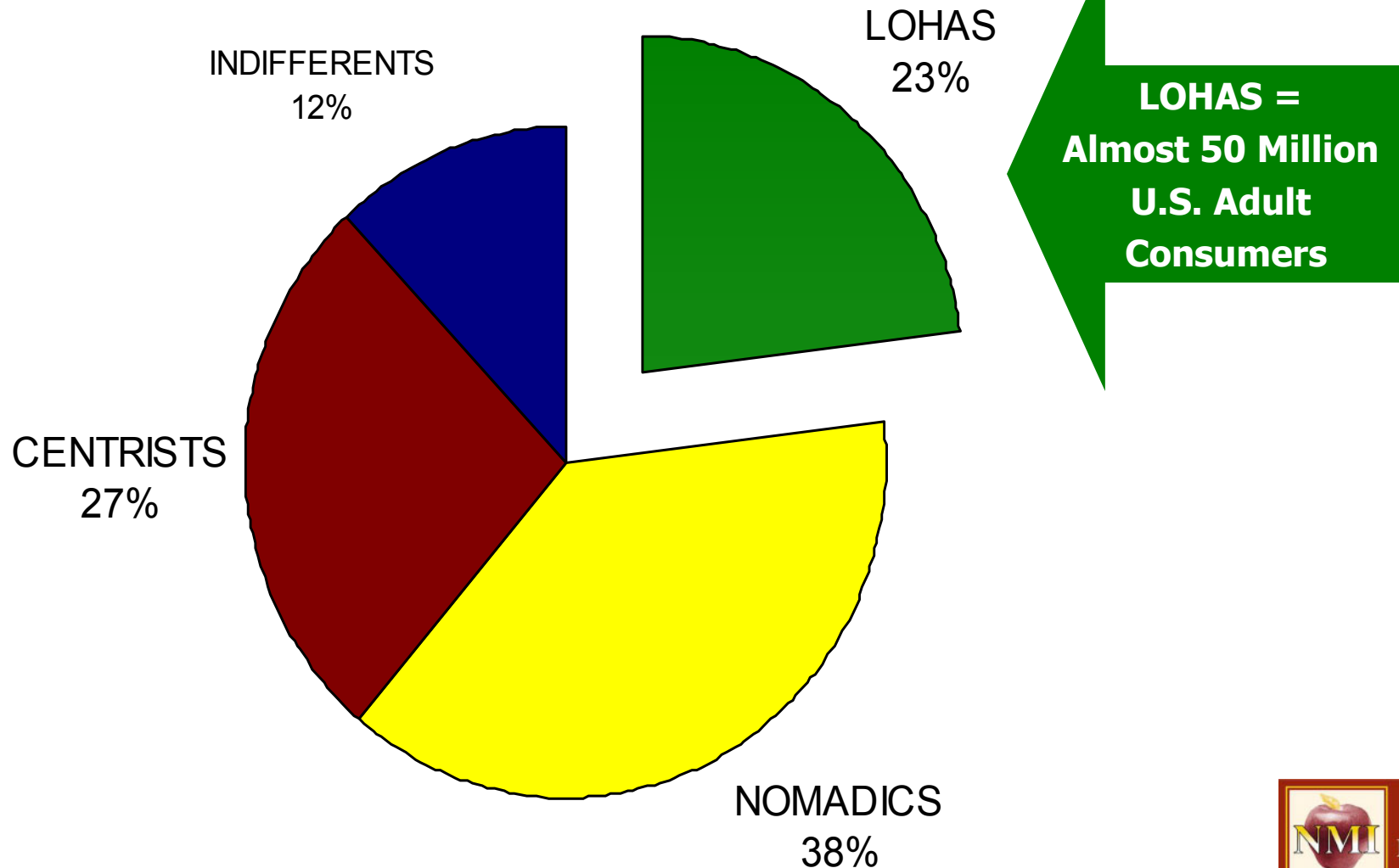
# Presentation Data Source: NMI's 2005 U.S. LOHAS Consumer Trends Research Study

**LOHAS = Lifestyles Of Health And Sustainability**

- ❖ **An integrated consumer database which:**
  - ❖ Identifies LOHAS consumer attitudes
  - ❖ Explores environmentally conscious behavior
  - ❖ Measures the importance of corporate social responsibility
  - ❖ Determines consumer usage of LOHAS products and services, including renewable power and many other related topics
- ❖ **Research project methodology:**
  - ❖ Annual tracking study, now in its fourth year
  - ❖ Sample Size: 2,000+ U.S. households each year
  - ❖ Nationally projectable U.S. adult population
  - ❖ Online methodology
  - ❖ Accurate at the 95% confidence level to +/- 2%

# NMI's 2005 Consumer Segmentation Model Identifies Four Distinct Segments in U.S. Pop

*(% general population U.S. adults...)*



Source: The LOHAS Consumer Trends Database™  
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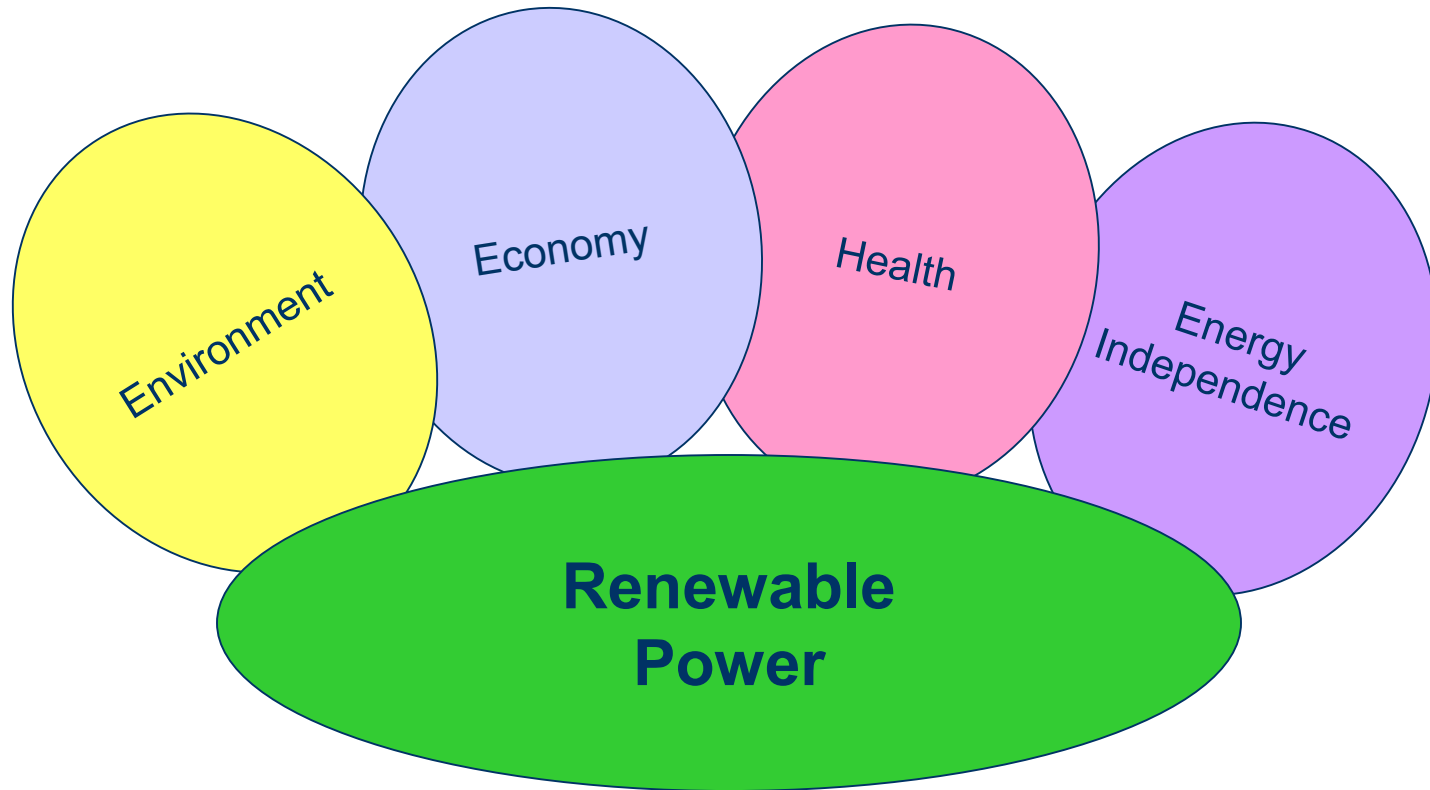
# Summary Characteristics of The NMI Consumer Segmentation Model

Segment	Size	Defining Characteristics
LOHAS	50 Million	Significantly affected by their concern for the health of their families, the sustainability of the planet, their personal development and the future of society.
NOMADICS	81 Million	Tend to move from place to place with regard to personal ideals, environmental platforms, and the overall relevance of sustainability.
CENTRISTS	58 Million	An assemblage who congregate toward the conservative end of the spectrum when it comes to dealing with health and sustainability.
INDIFFERENTS	26 Million	Caught up in the day-to-day events; care-free; not necessarily looking out for tomorrow.

# Renewable Power – 2005 LCTD Questions

- ❖ Belief toward caring about the use of renewable energy sources
- ❖ Importance of the environmental impact of electricity
- ❖ Role of government support for renewables
- ❖ Awareness of consumer options to buy renewables
- ❖ Interest in electric companies decreasing reliance on fossil fuels and nuclear power
- ❖ Belief that increasing use of renewable power sources is important to U.S. economy
- ❖ Belief the energy choices I make are important in protecting the environment
- ❖ Interest in being able to purchase renewable power from my energy company
- ❖ Belief that increasing use of renewable power is important for human health
- ❖ Satisfaction with the options for using renewable power
- ❖ Current use/ownership, awareness, and interest in learning more about:
  - ❖ Renewable power from my electric company
  - ❖ Solar panels

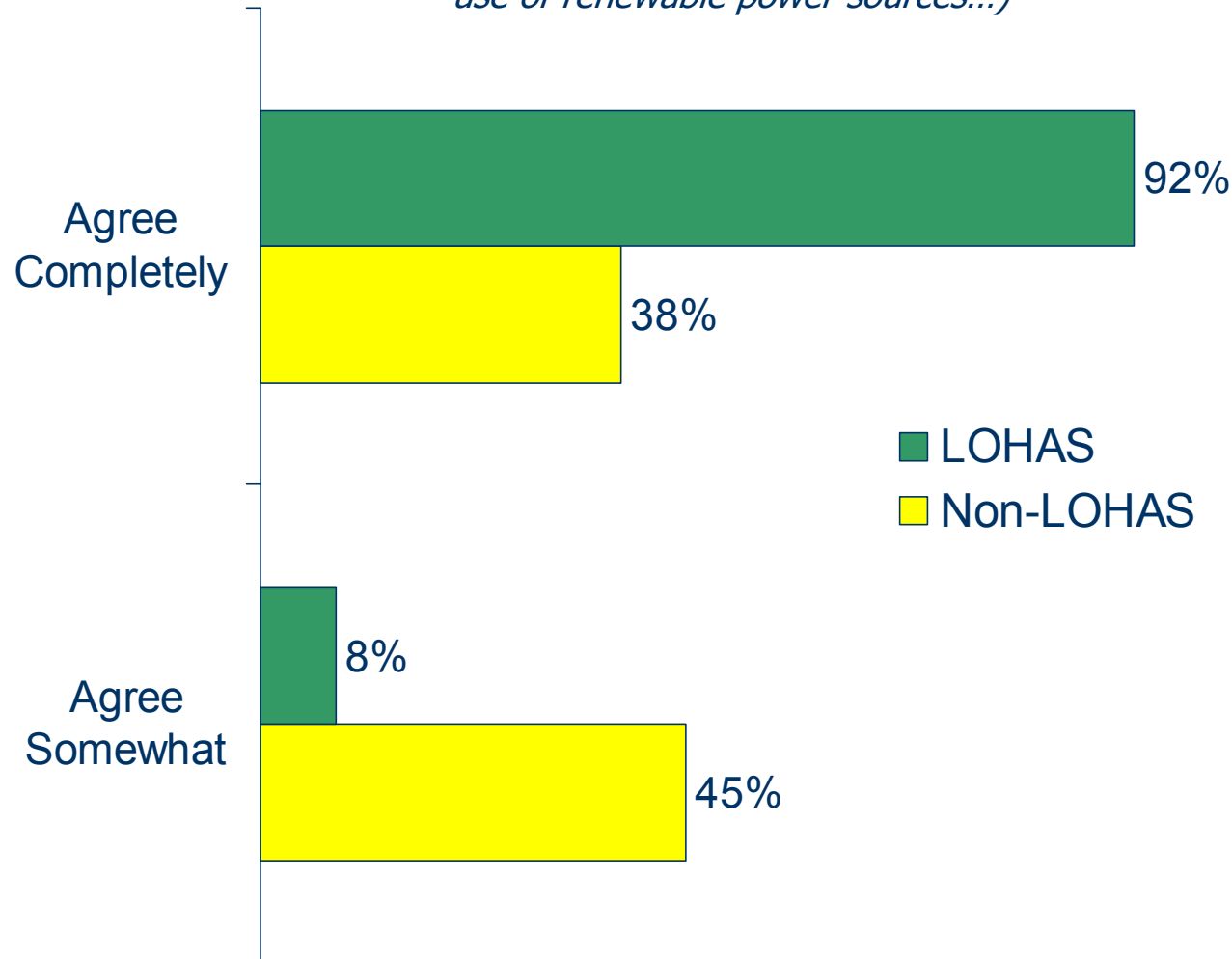
# The Consumer/Residential Renewable Power Value Proposition is Complex



**However, the diversity of purchase drivers allows multiple marketing approaches**

# The Importance of Renewable Power is High

*(Q.2 - % consumer segment stating they agree "completely" that they care about use of renewable power sources...)*



# LOHAS Consumers are An Attractive Segment for Targeting Renewable Power

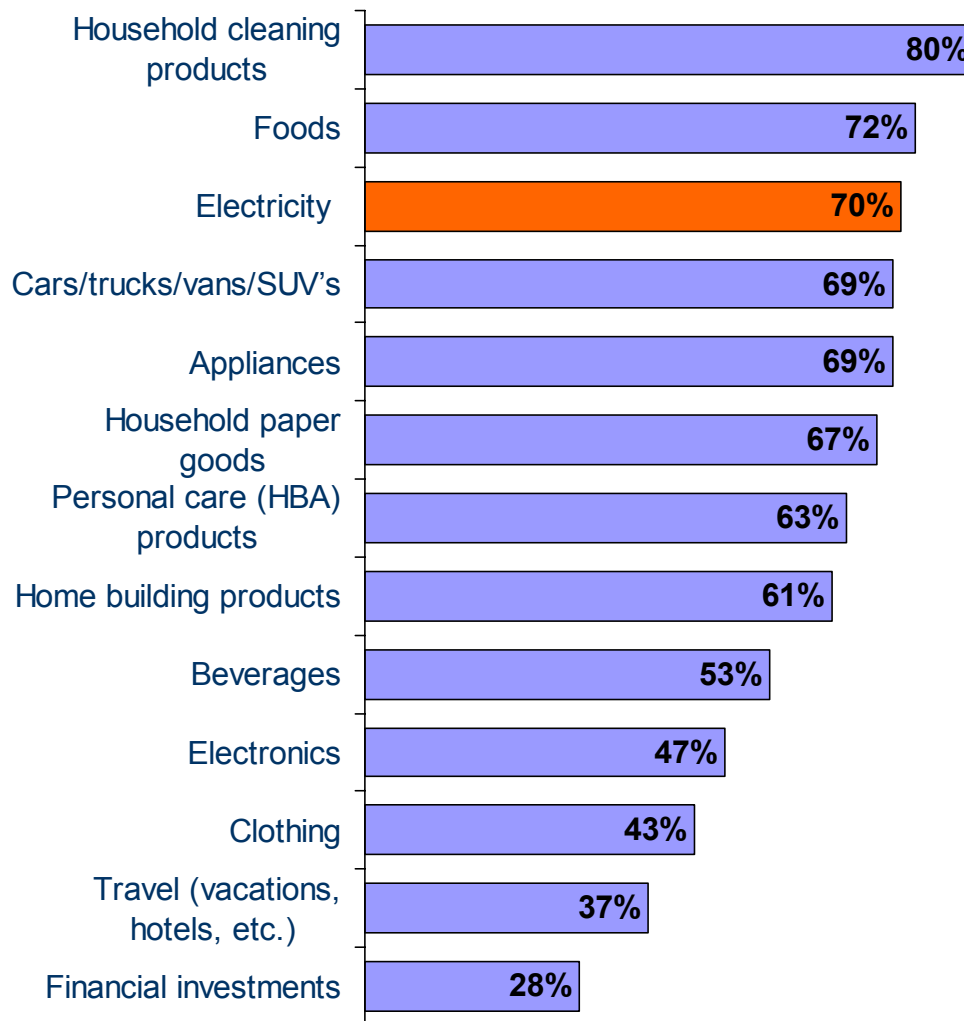
LOHAS	Driver	Non-LOHAS
70%	I believe that increasing use of renewable power sources is important to <b>U.S. economy</b> .	33%
69%	I believe the energy choices I make are important in <b>protecting the environment</b> .	24%
70%	I believe that increasing use of renewable power is important for <b>human health</b> .	28%
65%	I would like my electric company to <b>decrease reliance</b> on fossil fuels and nuclear power.	25%

Further,  
three times as many  
LOHAS consumers plan  
to buy renewable  
power within the next  
year



# Power (Electricity) Ranks Very High In Terms of Perceived Environmental Impact

(Q.16 - % LOHAS consumers stating that the environmental impact of products/services is "a lot" important)



**70% of LOHAS consumers state that the environmental impact of their electricity is "a lot" important.**

# Although Consumers Show Interest, Most Don't Know That RP is Even Available to Them

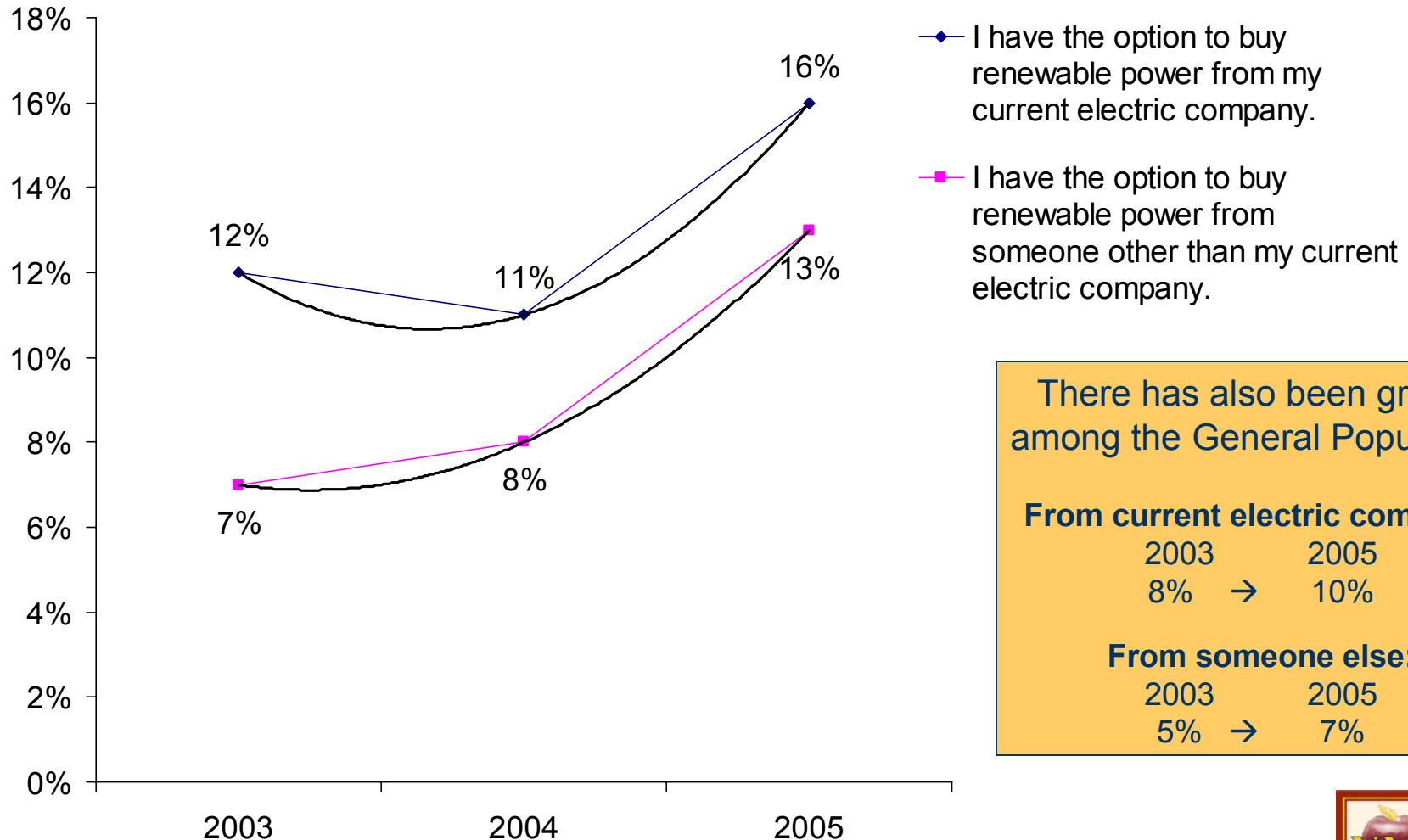
(% consumer segment stating the following)

	GP (%)	LOHAS (%)
<i>I have the option to buy renewable power from my electric/utility company</i>		
Yes	10	16
No	44	46
Don't Know	47	39
<i>I have the option to buy renewable power from someone other than my current electric company</i>		
Yes	7	13
No	43	46
Don't Know	50	41

The high number of “don’t know” responses indicates that current marketing communications are not always reaching their intended audiences.

# ...However, There Has Been Progress

(% LOHAS consumers segment stating the following)



There has also been growth among the General Population:

**From current electric company:**

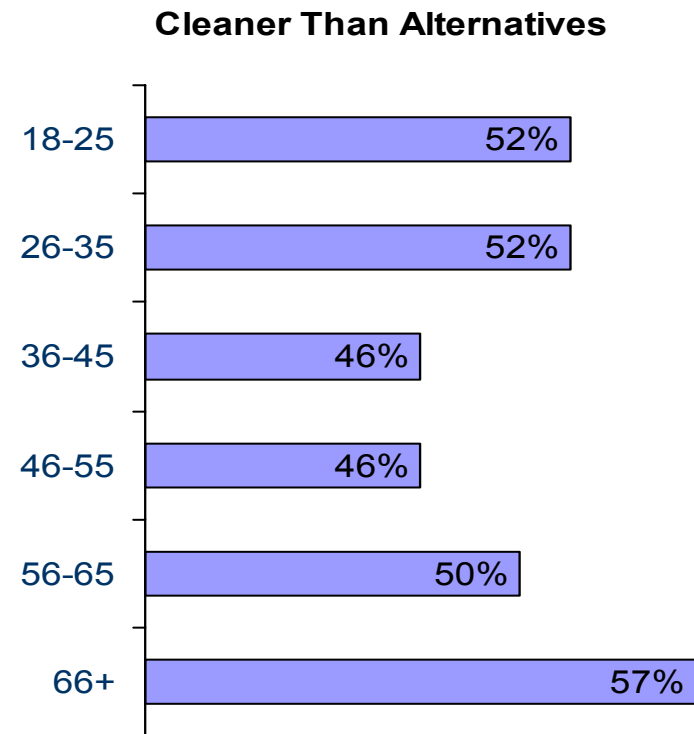
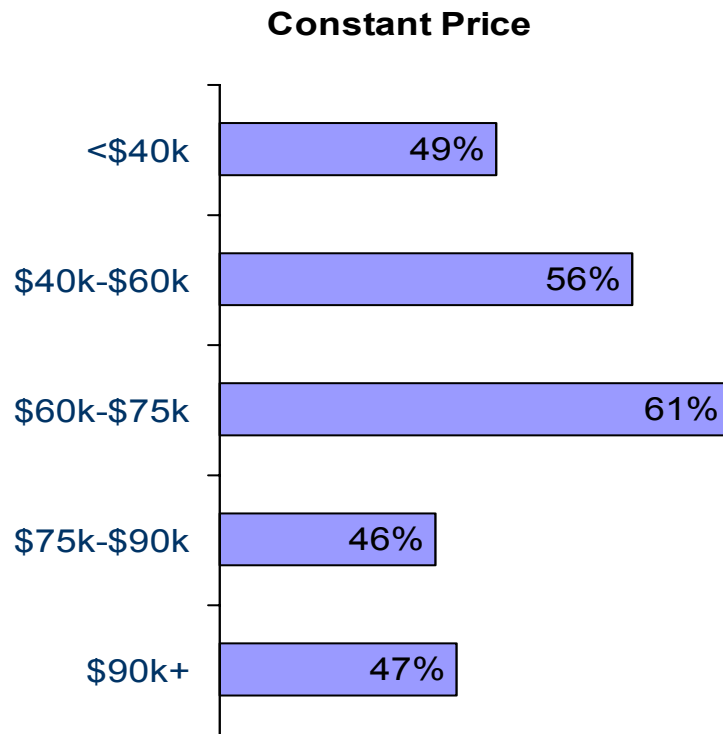
2003	2005
8%	→ 10%

**From someone else:**

2003	2005
5%	→ 7%

# A Note on Demographics: Price vs. Benefits

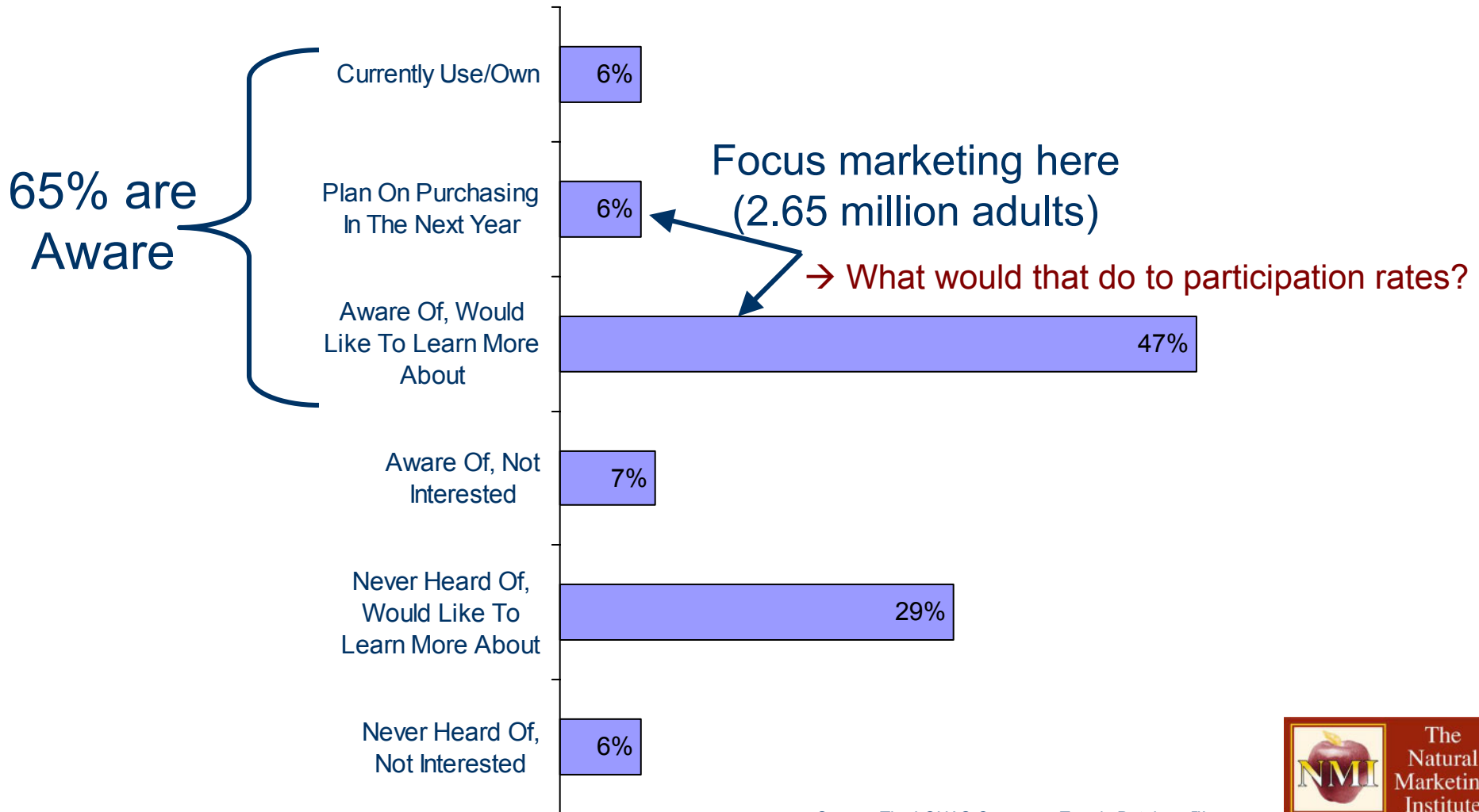
(Q.69 - % consumer segment by demographic stating "Thinking of electricity, power, or energy for your home, which of the following product attributes are important to you?")



Obviously demographic considerations affect overall interest and specific reasons to buy renewables. How can you use this to vary communications vary by target?

# Usage Rates & Opportunities for Residential RP

(Q.68 - % LOHAS consumers stating the following about renewable power from their electric company)



Source: The LOHAS Consumer Trends Database™  
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## Closing Perspective...

- ❖ Whereby the importance of RP is high, the diversity of the RP residential proposition is complex
- ❖ Drivers of RP use are multifaceted
  - U.S. economic health, planetary health, personal/family health
- ❖ The linkage of RP to environmental impact is extremely high
- ❖ Although increasing over past 3 years, most consumers do not know they even have access to RP sources
- ❖ Almost two-thirds of LOHAS consumers are aware of RP, some planning to purchase, many others want more information
  - The LOHAS consumer is an attractive segment for RP



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# NMI Corporate Summary



***NMI is a strategic consulting, market research, and business development company specializing in the health and wellness marketplace.***

***Our dynamic capabilities focus on the well-being of people and products, and the environmentally and socially responsible sustainability of the planet.***

***Since 1990, NMI has used its expertise to assist a wide range of clients across many industries.***

***NMI principals have over sixty years combined experience in the industry, including corporate management, international consulting, new business start-ups, product concept ideation, strategic business plan development, consumer packaged goods marketing, and market research management.***



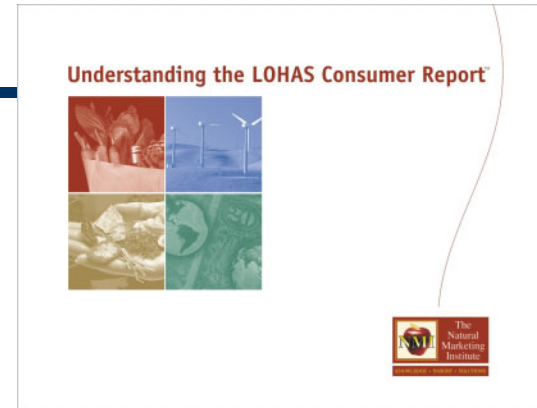
# NMI LOHAS Consumer Trends Database™

## Summary Overview

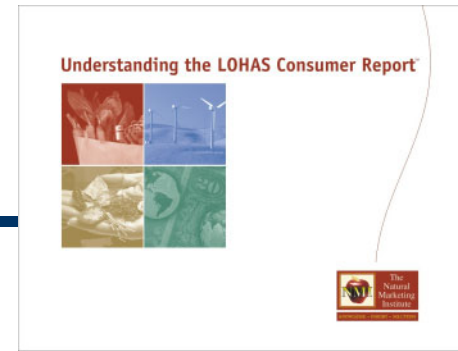
**LOHAS = Lifestyles Of Health And Sustainability**

NMI LOHAS Consumer Trends Database (LCTD)

- Currently 4 years of trended data: 2002 - 2005 (inclusive)
- Project is the first ever to identify LOHAS consumer attitudes, behavior, and product/service usage patterns
- Databases covers a range of industries including consumer packaged goods, green building, investing, electronics, appliances, renewable power, alternative transportation, others
- Primary consumer survey research among 2,000+ U.S. general population consumer households
  - Sample drawn from representative consumer panel
  - Nationally projectable U.S. adult 18+ population; valid at 95% confidence to +/- 2%
  - Utilization of leading online research firm
- Available through reports, custom analysis, and sponsorships

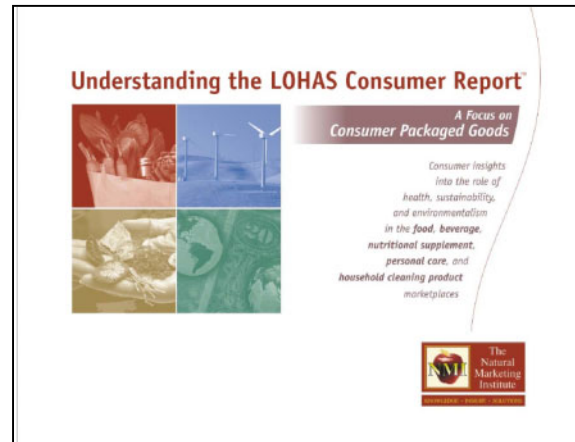


# The LCTD Summary Content & Scope



- ❖ 50 LOHAS-related attitudinal measures/consumer intensity variables
- ❖ 16 LOHAS psychographic drivers/consumer behavior predictors
- ❖ Product usage patterns (across 75+ product categories)
- ❖ Over 160 brand users identified and measured
- ❖ Sources of influence (36 magazines, 17 other specific media venues)
- ❖ Membership across multiple organizations
- ❖ Shopping patterns across 30 specific stores/other sources
- ❖ Lifestyle measures
- ❖ Complete demographics
- ❖ Product/service category usage, importance of specific product attributes, usage of specific brands, sources of influence across each of 9 specific LOHAS sectors
- ❖ General population proprietary NMI consumer segmentation model utilized

# The *LOHAS Consumer Trends Database*™ (LCTD) Has Three Main Client Uses



## Published Reports:

- 3 Sector-Specific Reports
  - Food & Beverage
  - Personal Care
  - Transportation
- Corporate Social Responsibility Report
- 40+ Pages Each
- Hard Copy & Electronic Versions

## Customized Analysis:

- Target Identification
- User Profile Analysis
- Product Driver/Attribute Analysis
- Communications Strategy
- Corporate Social/Environmental Strategy
- 1000's of Others...

## Subscription Opportunities:

- Proprietary Content
- Interaction Across Core Database
- Customized Analysis & Report
- 2006 Subscriptions Now Available

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